

EXHIBIT

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SALARIED EMPLOYEE HANDBOOK

US Locations



January 1, 2019

THIS HANDBOOK AND ITS POLICIES ARE NOT A CONTRACT

EMPLOYMENT IS AT WILL

I have received a hard copy and/or been instructed on how to access an electronic version of this handbook and related company policies. I understand that it is my responsibility to become familiar with these policies and the contents of the US Salaried Employee Handbook. I also understand that the policies and benefits described in it are subject to change at any time, without advance notice, at the sole discretion of the Company, and that it is my obligation to check the Electrolux Intranet for updates. Publication on an electronic site will be deemed notice to all employees. I further understand that I am expected to report any violations of an Electrolux policy and should refer to the Electrolux Code of Conduct for additional guidance. I understand that this handbook and related company policies ARE NOT A CONTRACT. I further recognize that all prior handbooks are revoked and have no force and effect.

I understand that my employment is at will. Both the Company and I have the right to terminate my employment at any time, with or without reason. No employee of the Company can enter into an employment contract without the written approval of the Vice President Human Resources.

I signed this Electronic Signature Acknowledgement when the Handbook was distributed and agreed at that time that my electronic signature is the legally binding equivalent of my handwritten signature.

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INTRODUCTION

INTRODUCTION

Electrolux (the “Company”) has prepared this Handbook to provide its US Salaried Employees with an overview of the Company’s policies, benefits, and processes. It is intended to familiarize employees with important information about the Company, as well as provide guidelines for employment with Electrolux in an effort to foster a productive, safe and healthy work environment. The Company is committed to compliance with all federal, state and local laws. To the extent these policies are inconsistent with any such law, the Company will comply with the law.

All of us must work together to make Electrolux a viable, healthy, and profitable organization. This is the only way we can provide a positive environment that promotes genuine concern for others including all employees and our customers. It is your responsibility to read the contents of this Handbook. If you have any questions after reviewing the Handbook, either now or any time during your employment, we encourage you to contact your Manager or Human Resources.



CORPORATE INFORMATION

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Purpose

Our future is determined by the way we all live our lives. That's why we strive to improve everyday life for millions of people and the world around us. It is embodied in everything we do. Every idea, product and human interaction.

We believe that outstanding taste experiences should be easy for everyone, that there is always a better way to care for our clothes that make them look and feel new for longer, and that the home should be a place for wellbeing. Working together with others, we make these ideas a reality.

To succeed we constantly rethink and improve our ways of working throughout the Company. By creating desirable solutions and great experiences that enrich peoples' daily lives and the health of our planet, we want to be a driving force in defining sustainable living.

This is us - at Electrolux we shape living for the better.





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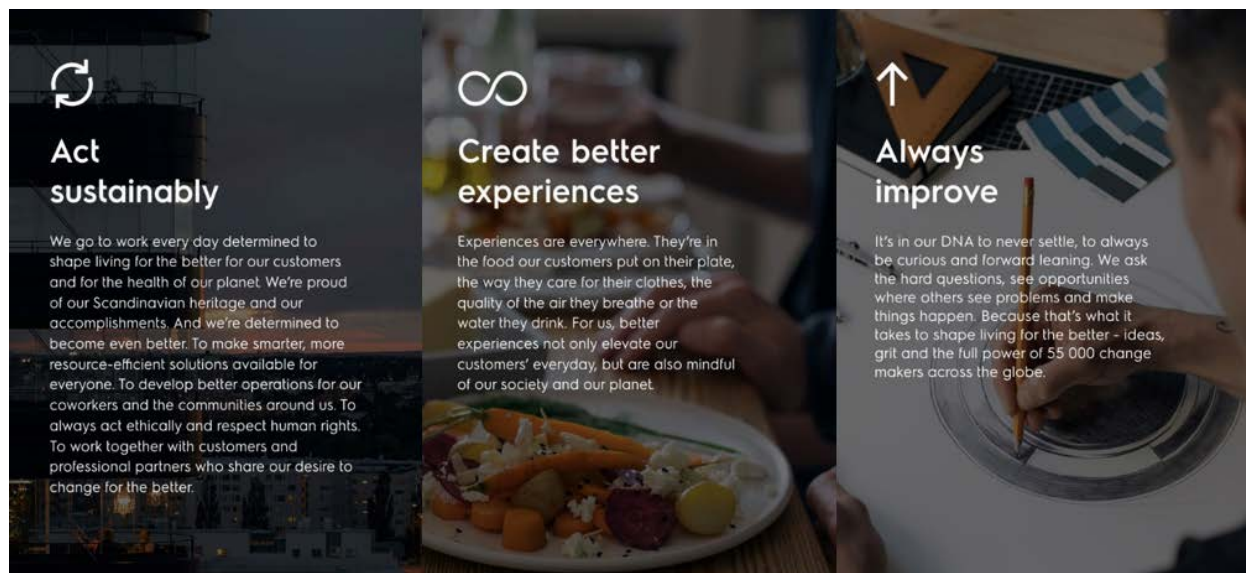
Mission

We reinvent taste, care, and wellbeing experiences for more enjoyable and sustainable living around the world. The mission is what we do to contribute to our greater purpose. It's more connected to our day-to-day business, tying together our business model with the purpose.

Our mission creates a link between day-to-day business and our overall direction (the purpose). It provides a "what" to the "why" the purpose defines.

Drivers

The drivers are what our purpose stands on. They give direction to behavior and strategies and are the most directly consumer-facing part of the strategy house. The drivers are key in communicating the purpose internally and externally.



Our Foundation

The elements of the Electrolux foundation include Respect & Diversity, Ethics & Integrity and Safety & Environment. Our foundation governs all of us in everything we do and, maybe most importantly, how we treat each other and our environment.

The components of our foundation can be applied to anything from the relationship we have between colleagues to how the Company conducts business in emerging economies.

Respect & Diversity

- We are a team with diverse disciplines, functions, cultures and organizations.



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- We promptly address any conflict or situation that may involve disrespectful behavior.
- We treat all individuals with kindness and fairness.

Ethics & Integrity

- We are open, honest and fair in all relations internally and externally.
- We challenge the behavior and values of others when they do not act in accordance with Electrolux business ethics.

Safety & Environment

- We seek and encourage actions that contribute to a safe and sustainable environment.
- We are willing to compromise short-term results in our own unit for sustainable Group results.

Teamship

Having employees who work together as a team is essential in order for Electrolux to launch new, innovative products, meet operational excellence targets and grow its profits.

Teamship is the Electrolux way of working together to become a high-performing learning organization. Teamship means working efficiently through creating aligned goals and demonstrating collaboration, transparency and engagement in all that we do. This leverages the power of working as ONE Electrolux.

The Teamship Workshop was aimed at exploring more of the attitudes and behaviors we see around the Company as well as in ourselves. All employees will participate in a Teamship Workshop as part of onboarding and learning about the culture of Electrolux.

Environmental Policy

We want our products, services, and production to be part of a sustainable society. We are committed to:

- **Designing** products to reduce their adverse environmental impact in production, use, and disposal.
- **Reducing** resource consumption, waste and pollution in our operations.
- **Taking** a proactive approach regarding environmental legislation that affects our business.
- **Encouraging** suppliers, subcontractors, retailers and recyclers of our products to adopt the same environmental principles as Electrolux.
- **Giving** appropriate weight to this environmental policy when making future planning and investment decisions.
- **Setting** targets and objectives, within the scope of the environmental management system to achieve continual improvement and a sustainable development.



CORPORATE INFORMATION

Quality Vision

At Electrolux, we are committed to Quality, because every consumer experience matters. Quality should be a defining reason why consumers choose our products over competition, whether it's a first-time buy, recommendation or repurchase. While there are many things that consumers consider when buying an appliance, like functionality, performance, design and service, it's Quality that drives long-term consumer satisfaction and brand loyalty. When consumers are happy with their Quality experience, they'll choose us again and recommend Electrolux to family and friends.

Committed to Quality Campaign

The "Committed to Quality" campaign is a Global program extending throughout the Company. We have set a comprehensive strategic program which articulates the Company's Quality Ambition, Targets, People, Process, and Communication. The aim is to make a step change in Quality and consumer experience. Opportunities to improve quality are found in three areas: the design phase; purchasing; and the manufacturing process. Each area is undertaking significant new practices to ensure we're achieving our quality goals.

Electrolux Manufacturing System (EMS)

Electrolux has developed an integrated system of production principles based on best practice methods that will help us stay ahead of our competition. EMS is an evolving system relying on input from all our people that will teach us to constantly challenge the status quo.

EMS relies on three fundamental elements:

- **Stability** is eliminating waste by standardizing methods throughout the Company, creating and maintaining the best possible working conditions. Stability is the foundation for further improvement.
- **Process Improvement** is continuously challenging our way of working, to achieve excellence in quality, cost and delivery performance.
- **Culture Change** is built upon good leadership, effective teamwork, extensive training and involvement of every member of the Electrolux team.

Electrolux Code of Conduct

A complete version of the Electrolux Code of Conduct is available on eGate.

The Electrolux Purpose is to shape living for the better. We do this by reinventing taste, care and wellbeing experiences for more enjoyable and sustainable living around the world. Sustainability is at the core of our business strategy, and we continuously seek to maintain our position as the sustainability leader in our industry. This means growing sustainably, acting with the greatest integrity and achieving the best environmental performance.



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Electrolux is dedicated to being a responsible employer and a good corporate citizen, with products and solutions that contribute to improving people's lives around the world. All our activities – including the sourcing, manufacture, distribution and sale of our products – must be conducted with respect and consideration for human rights, for human safety and health, and for the environment.

We strive for continuous improvement with sustainability as a core focus in all our operations.

Business Conduct

A complete version of the NA Business Conduct Policy is available on eGate.

The NA Business Conduct Policy contains statements of general policy that govern the conduct required of all officers, employees and agents of Electrolux with respect to critical areas of business activity. These activities include but are not limited to: compliance with all laws, antitrust guidelines, ethics, bribery, conflicts of interest, gifts and non-discrimination in the workplace. The Policy is an important piece of Electrolux's North American Compliance Program which is designed, implemented and enforced to prevent and detect criminal conduct. With the help of this Policy, Electrolux fosters a top down culture that encourages ethical conduct in its business activities.

Ethics Helpline

The Ethics Helpline has been established as an alternative way of reporting ethical and policy misconduct in cases where an employee does not feel comfortable reporting through the normal channels. Through the Ethics Helpline, an employee is able to report violations at any time from anywhere in the world (either via online forms or via telephone). The call or form is received by an independent third party and then forwarded to the appropriate person at Electrolux. The helpline will handle the following topics: anti-trust laws, bribes, conflicts of interest, copyright laws, discrimination, workplace harassment (including sexual harassment), environmental laws, export/import laws, fraudulent transactions, health & safety laws, improper political contributions, insider trading, and kickbacks.

Callers may remain anonymous if they wish, without fear of exposure or retaliation. However, handling of the case will be easier if callers self-identify, since this will allow the opportunity for clarification and further details when needed.

If an employee has concerns about possible ethical misconduct, these are the steps that should be followed:

- Discuss the concern with the employee's manager, if possible.
- If the employee is uncomfortable speaking to the immediate supervisor, the employee may speak to another manager or Human Resources.
- If the employee has private concerns or wishes to be anonymous, report the concern via the Ethics Helpline.

Ethics Helpline: (800) 235-1320 or www.electroluxgroup.com/ethicshelpline



CORPORATE INFORMATION

Equal Employment Opportunity

A complete version of the Equal Employment Opportunity Policy is available on eGate.

It is the policy at Electrolux to provide equal employment opportunities and affirmative action to all qualified individuals. All personnel actions, including, but not limited to, compensation, benefits, recruitment, hiring, training, and promotion of persons in all job titles, are administered without regard to race; color; sex; sexual orientation; gender identity; age; religion; national origin; citizenship status; protected veteran or disability status; pregnancy, childbirth, or related conditions; genetic information; service member status; or any other status protected under local, state or federal law. All employment decisions are based solely on valid job requirements. In addition, employees and applicants are protected from harassment, threats, coercion, intimidation, or discrimination for:

- 1) Filing a complaint;
- 2) Assisting or participating in an investigation, compliance review, hearing, or any other activity related to the administration of Executive Order 11246 and any other applicable Federal, State, or local law requiring equal opportunity and affirmative action;
- 3) Opposing any act or practice made unlawful by Federal, State or local law requiring equal opportunity and affirmative action;
- 4) Exercising any other right protected by applicable laws.

The Vice President of Human Resources will be responsible for the dissemination of this policy. Directors, managers and supervisors are responsible for implementing equal employment practices within each department. The HR department is responsible for overall compliance and will maintain personnel records in compliance with applicable laws of regulations.

A copy of the Equal Employment Opportunity statement that reaffirms Electrolux's commitment to equal opportunity and affirmative action for its applicants and employees is posted in a form that is accessible and understandable to an individual with a disability.

Safety Policy

Electrolux recognizes that our people are critical to our success. As our most critical resource, Electrolux is committed to our employees' safety and to providing a safe and healthy workplace. Electrolux safeguards employees through training, designing appropriate work station(s)/area(s), and continuously developing procedures that foster protection.

Safety is everyone's responsibility, so each and every employee is responsible for following safe work practices and Company rules. Every employee is encouraged to immediately report any workplace hazard or unsafe work practice. In the unlikely event of a workplace



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injury, employees are expected to immediately report the incident to their manager. A key factor in implementing this policy will be the strict compliance with all applicable federal, state and local safety laws, regulations and standards and all Company policies and procedures. Safety is serious business and failure to comply with these policies will result in corrective action, up to and including termination of employment.

General Safety Rules

Each Electrolux site has an Emergency Action Plan to address possible emergency situations and the plan to be executed for that location. All employees should familiarize themselves with emergency procedures, alarm tones, the location of fire extinguishers, exits out of the building, and proper assembly/gathering areas in the event an emergency arises.

Examples of emergencies include fire, weather, earthquake, chemical spill, bomb threat, etc. Depending on the type of emergency, the site has a method of notification and a plan of action to ensure the safety of all affected. Emergency evacuation routes are available in various places throughout the site. Check with your manager for details of the Emergency Action Plan.

Cardinal Safety Rules

Each factory has developed fundamental safety requirements on which other rules hinge known as "Cardinal Rules."

Any employee who knowingly violates these rules will be subject to corrective action, up to and including termination, even for the first offense, regardless of previous performance or whether an injury or property damage occurred. Visitors and contingent workers who violate these rules will be subject to immediate removal from the premises.

Factory Visitation

All visitors will receive a visitor vest and placard (on lanyard), to be displayed at all times. The information presented on the placard must be followed, including the personal protective equipment requirements that are relevant to the site.

Crisis Management Policy

In the case of an unforeseen event, Electrolux must be prepared for and capable of managing a crisis. A crisis situation must be managed to minimize the damaging effects to employees and others concerned, as well as its property and to the reputation of Electrolux. The Corporate Crisis Management Program describes the framework for managing a crisis. The framework consists of minimum requirements on how to set up and prepare the organization and how this organization should interact with others. The program is owned by Electrolux Corporate Security and program documentation may be obtained from them.



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Travel and Expense Management Policy

Please refer to the NA Travel Policy available on eGate and Concur.

Electrolux employees are expected to follow the NA Travel Policy which sets forth the minimum requirements for business trips and expense management.

Concur is Electrolux's standard tool for business travel expense reporting. The system enables the employee to submit travel requests, book travel details (air, hotel, car, etc.) and electronically process expense reports.

Business travelers must receive approval from their line manager before embarking on a business trip. All travel requirements must be booked through the Company's preferred agency (via Concur or directly, for complex trips).

The Travel Policy specifies the limitations in areas such as class of air travel, denied boarding situations, personal hotel expenses and rental car guidelines.

Travelers are required to use the corporate credit card for payment of all travel expenses. The corporate card must be used for business purposes only. Employees who use their corporate credit card for personal charges or do not timely file their expense report may be subject to disciplinary action, up to and including termination.

It is suggested that frequent travelers file their reports on a weekly cycle. Electrolux is not responsible for any late charges or interest charges that are a result of untimely submission of expense reports or failure to timely pay the corporate credit card bill.

Employee Recognition, Gifts and Awards Policy

Please refer to the Employee Recognition, Gifts & Award Policy available on UltiPro.

The Company values outstanding performance by employees and encourages recognition of such work. The Company also understands there are other personal or professional events in employees' lives that should be recognized.

The purpose of this policy is to issue guidelines and procedures to employees and managers regarding rewards or gifts of any value. It is intended to ensure consistent treatment of employees, while also adhering to corporate guidelines and IRS regulations regarding the taxation of gifts to employees.

This policy defines acceptable and unacceptable gifts to employees. Employees are not precluded from giving personal gifts to their colleagues, provided no Company funds are used for this purpose. All employee reward and gift exceptions must be approved in writing by the Vice President of Human Resources.



CORPORATE INFORMATION

Facility Access and Badges

Electrolux is committed to providing a safe and secure workplace. Due to this commitment, Electrolux mandates that only authorized personnel are allowed on Company property. This includes:

- Current employees
- Approved contingent workers
- Authorized and escorted guests (visitors, vendors, and customers)

Guests will be issued a temporary visitor badge, which must be displayed. Guests must be escorted by an Electrolux representative at all times.

At the start of employment/assignment, all current employees and contingent workers will be issued a photo ID badge that will be used to activate Electrolux's facility electronic access control system (card readers).

The badge serves several purposes:

- Allows employees and contingent workers to gain entry through authorized access points into a restricted area.
- Allows access into certain areas in the buildings on an as needed basis. Individual badges are programmed for this access as approved by the manager.
- Is used for identification purposes.

Badges must be worn in plain sight at all times while on Company property, so that the photo and name are readily visible.

- The photo on the badge must not be altered or covered up at any time.
- A lost badge must be reported, and a fee based replacement badge may be re-issued.

Maintaining control of your individual employee badge is crucial to preventing unauthorized access to our facilities.

- Scanning a badge other than your own is prohibited, as well as giving your badge to another employee.
- Tailgating is prohibited - when a person, whether an employee or not, passes through a restricted access entry point without the knowledge of the person who has gained legitimate access through the secure door.
- Piggybacking is prohibited - when a person follows through a door without scanning with the permission of the person who has received access.

Violation of these rules may result in disciplinary action, up to and including termination.



EMPLOYMENT PRACTICES

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Employment Classification

In order to determine eligibility for benefits and overtime status and to ensure compliance with federal and state laws and regulations, Electrolux classifies its employees as shown below. Electrolux may review or change employee classifications at any time.

Regular, full-time employees work a minimum of 30 hours weekly and maintain continuous employment status. These employees are eligible for benefits and are subject to the terms, conditions and limitations of each benefit program.

Regular, part-time employees are regularly scheduled to work fewer than 30 hours weekly and maintain continuous employment status. Part-time employees are eligible for some of the benefits offered by the Company and are subject to the terms, conditions, and limitations of each benefit program. Requests for part-time employment must be approved by the manager and Human Resources management.

Exempt employees are paid on a salaried basis and are not eligible to receive overtime pay.

Non-exempt employees are paid on an hourly basis and are eligible to receive overtime pay for all hours worked over 40 in a stated pay period and as otherwise required by state or local law.

Reasonable Accommodations

Electrolux is committed to complying with all applicable laws that address disability discrimination in the workplace. The Company will attempt to provide reasonable accommodations to an employee with a known disability if such accommodation would not impose an undue hardship on the Company and would enable the employee to perform the essential functions of the job in question.

The specific accommodation(s) offered will depend on the specific facts and circumstances of the employee's job and any actual limitations. There are limits to the accommodations that the Company can realistically make. For example, when an accommodation would cause an undue hardship to the Company, the Company would be unable to make the particular accommodation. Similarly, when placing an individual in a position, with or without accommodation, would cause the employee to be a direct threat to the employee or others, the Company may be unable to place the employee in a particular position.

If an employee has a disability and requires reasonable accommodation to perform the essential functions of his/her job, the employee should contact Human Resources about the disability and suggest possible reasonable accommodations that would allow performance of all essential job functions. It is the Company's policy to work with employees, through an



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interactive process, to try to find a reasonable accommodation that enables an employee with a disability to perform the essential functions of their job. Employees will be required to cooperate with the Company in evaluating requests for reasonable accommodations. For the Company to best understand an employee's restrictions or limitations, and any accommodation that might be needed, the Company may request medical documentation from a licensed medical professional to include information about an employee's limitations and restrictions, as well as information about the reasonable accommodation. If more than one possible reasonable accommodation is available, the Company will determine which accommodation to employ.

Religious Accommodations

It is the Company's policy to provide equal employment opportunity to employees without regard to their religious beliefs and practices (or lack thereof). The Company will make reasonable accommodations to an individual's sincerely-held religious beliefs or practices that would resolve a conflict with a work requirement, unless doing so would result in an undue hardship to the Company. Employees who believe they need a reasonable accommodation must immediately contact Human Resources. Upon receipt of an accommodation request, the Company will engage in an interactive process with the employee to view possible reasonable accommodation options. The Company prohibits any form of retaliation against employees for requesting an accommodation under this policy.

Requests for Information on Current/Former Employees

Additional information is available in UltiPro.

All employment verification or reference requests for current or former employees are to be referred to Human Resources. Human Resources will refer the requestor to The Work Number, a third party firm that handles all employment inquiries on Electrolux employees. The Work Number customarily releases only dates of employment and last job title.

Requests for employment verification for credit or mortgage purposes should also be referred to Human Resources. Certain information will be provided by The Work Number only if the employee has established a "salary key" for authorization purposes.

Job Posting and Career Advancement Opportunities

A complete version of the Group Global Recruitment Directive is available on eGate.

Electrolux is committed to having the right people in the right jobs through the recruitment and promotion of the best available talent. To accomplish this, Electrolux has a global recruitment process, the success of which depends on the focus and alignment between the Hiring Manager and Human Resources.



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Electrolux respects and encourages diversity and internal mobility to grow talent and transfer knowledge. Human Resources must be involved in all recruitment activity, support the selection of the recommended candidate, and validate the quality of the hiring process.

The purpose of the Group Global Recruitment Directive is to ensure that all employees are made aware of and have a reasonable opportunity to apply for open positions before, or in conjunction with, Electrolux's consideration of external candidates.

Open positions will be reflected on TalentONE, the job posting and recruiting tool for employees to seek career opportunities within the Group.

Employment of Relatives and Friends & Personal Relationships in the Workplace

Relatives and friends may be hired through normal procedures by the Company if (1) the persons concerned will not work in a direct or indirect supervisory relationship, and (2) the employment will not pose difficulties for supervision, security, safety, risk to internal controls, or morale. For the purposes of this policy, "relatives" are family members (including extended family), defined as spouses/domestic partners, children, siblings, parents, grandparents, aunt/uncle, niece/nephew, cousins and in-laws. This includes relationships that develop after being hired or transferred into another department. Also included under this policy are significant others, roommates, personal relationships, and anyone else whose relationship to the employee could be perceived as causing a conflict of interest.

A "personal relationship" is defined as a relationship between individuals who have or have had a continuing relationship of a romantic or intimate nature. An employee who is involved in a personal relationship with, or is married to, another employee may not occupy a position in the same department as, work directly for, or supervise the employee with whom he or she is involved.

Electrolux reserves the right to take prompt action if an actual or potential conflict of interest arises concerning individuals who engage in a personal relationship that may affect terms and conditions of employment. Supervisors and managers are prohibited from dating subordinates and may be disciplined for such actions, up to and including termination.

When a conflict or the potential for conflict arises because of a personal relationship between employees, even if there is no line of authority or reporting involved, the employees may be separated by reassignment, or terminated from employment. If such a personal relationship between employees develops, it is the responsibility and obligation of the employees involved to disclose the existence of the relationship to the department director or manager.

When a conflict or a potential for conflict affecting terms or conditions of employment arises because of the relationship, Electrolux will determine who is to be transferred or, if necessary, terminated from employment.



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Harassment Free Workplace

A complete version of the Harassment Free Workplace Policy including state specific laws is available on eGate.

Harassment is against the law. Electrolux (the “Company”) is committed to creating a respectful, courteous work environment free of unlawful harassment of any kind, including harassment based upon race; color; sex; sexual orientation; gender identity; age; religion; national origin; citizenship status; protected veteran or disability status; pregnancy, childbirth, or related conditions; genetic information; service member status; or any other protected characteristic as defined by applicable federal, state, or local law. Electrolux will **NOT TOLERATE** harassment relating to any characteristic protected under applicable law.

Violation of this policy will subject an employee to disciplinary action, up to and including immediate termination.

Policy

1. Electrolux’s policy against unlawful harassment applies to all employees, including supervisors and managers, as well as to all unpaid interns and volunteers. Electrolux prohibits managers, supervisors, and employees from harassing co-workers as well as the Company’s customers, vendors, suppliers, independent contractors, and others doing business with the Company. The Company likewise prohibits its customers, vendors, suppliers, independent contractors, and others doing business with the Company from harassing our employees.
2. All employees are encouraged to report any harassment or behaviors that violate this policy. A complaint form for employees to report harassment is attached. Managers and supervisors **are required** to report any complaint they receive, or any harassment that they observe or become aware of to Human Resources.
3. Electrolux will conduct a prompt and thorough investigation whenever management receives a complaint about harassment, or otherwise knows of possible harassment occurring. Electrolux will keep the investigation confidential to the extent possible, consistent with the need to conduct a thorough investigation. Effective corrective action will be taken whenever harassment is found to have occurred. All employees, including managers and supervisors, are required to cooperate with any internal investigation of harassment.
4. Harassment will not be tolerated. Any employee or individual covered by this policy who engages in harassment will be subject to remedial and/or disciplinary action, up to and including immediate termination.
5. Retaliation is Prohibited: No person covered by this Policy shall be subject to adverse action because they report an incident of harassment, provide information, or otherwise assist in any investigation of a harassment complaint. Electrolux will not tolerate such retaliation against anyone who, in good faith, reports or provides information about suspected harassment. Any employee of Electrolux who retaliates



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against anyone involved in a harassment investigation will be subject to disciplinary action, up to and including termination. Anyone who believes they have been subject to such retaliation should inform a supervisor, manager, or Human Resources.

Reporting and Investigating Harassment

Preventing harassment is everyone's responsibility.

Electrolux cannot prevent or remedy harassment unless it knows about it. Your notification of the problem is essential to us. Therefore, it is your responsibility to bring your concerns and/or problems to our attention so we can take appropriate steps to address the situation. The Company takes all complaints of unlawful harassment seriously and will not penalize you or retaliate against you in any way for reporting a harassment problem in good faith.

What should you do if you feel you are being or have been harassed, discriminated against, or retaliated against?

If you feel that you are being or have been harassed, discriminated against, or retaliated against by another employee, supervisor, manager, customer, vendor, independent contractor or third party doing business with the Company, you should immediately report it to your local Human Resources Manager, the Facility Manager, or whoever is in charge in the event these individuals are unavailable. You may also report:

- In person, to the Human Resources Department, Electrolux, 10200 David Taylor Drive, Charlotte, NC 28262.
- By telephone, via the Company's Ethics Helpline at 1-800-235-2320; or
- Online at www.electroluxgroup.com/ethicshelpline/

In addition, if you observe harassment by another employee, supervisor, manager, or non-employee, please report the incident immediately as indicated above.

Reports of harassment can be made verbally or in writing. A form for submission of a written complaint is attached to the Policy, and all employees are encouraged to use this complaint form. Employees who are reporting harassment on behalf of other employees should use the complaint form and note that it is on another employee's behalf.

Workplace Bullying Policy

The Company is committed to providing a safe and healthy work environment for all employees. As such, the Company prohibits bullying of any kind. This policy applies to employees while working, at work functions and while traveling on business.

Bullying is defined as unwelcome or unreasonable behavior that demeans, intimidates, or humiliates an individual or a group of individuals.

Bullying can be:

- An isolated incident or persistent incidents;



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- Carried out by a group or by an individual;
- Direct or indirect; and
- Verbal or physical.

Some examples of bullying include:

- Abusive or offensive language or behavior.
- Unwelcome behavior.
- Teasing and/or intentionally spreading false rumors.
- Exclusion or isolation.

If you witness bullying or suspect bullying is taking place, report it to your manager and/or Human Resources immediately. All suspected incidents of bullying will be thoroughly investigated, and disciplinary measures will be taken as appropriate.

Violence in the Workplace

Electrolux is committed to preventing workplace violence and providing a safe working environment for all of its employees. Accordingly, the Company has a zero tolerance policy concerning threats, coercion, intimidation and violence of any kind in the workplace either committed by, or directed towards, our employees or any third-party. Anyone who engages in such conduct or who violates the guidelines below may be removed from the site and/or subject to immediate termination of employment.

Workplace violence and prevention training is available and intended to educate our employees, should an event occur at one of Electrolux's facilities.

Physical Violence and Threatening Behavior

Under no circumstances will Electrolux tolerate physical violence or threatening behavior in the workplace, on Company premises, at work-related functions, or while traveling on business or working from another location.

Threatening behavior directed at the workplace from home is also not tolerated. Electrolux reserves the right to determine if particular actions are considered physical violence or threatening behavior.

All threats of, or actual, violence should be reported immediately to the employee's immediate supervisor, security, or any other member of management. This includes threats by employees, as well as threats by contingent workers, customers, vendors, solicitors or other members of the public. When reporting a threat of violence, the employee should be as specific and detailed as possible.

All suspicious individuals or activities should also be reported immediately to a supervisor, security, or any other member of management. Employees should not place themselves in peril. If an employee sees or hears a commotion or disturbance near their workstation, they should not try to intercede or see what is happening.



EMPLOYMENT PRACTICES

Examples of behavior that would be considered violent, threatening, or intimidating to others include, but are not limited to:

- Profane or abusive language
- Threats or insinuations of “getting even”
- Physical aggression, whether demonstrated or threatened
- Dangerous pranks or practical jokes
- Aggressive horseplay or gestures
- Fighting or other hostile action
- Assault or intimidation
- Any form of harassment (refer to the Harassment Free Workplace section in this handbook)

The Company will promptly and thoroughly investigate all such reports. To maintain workplace safety and the integrity of the investigation, the Company may place employee(s) on leave, either with or without pay, pending investigation.

Weapons in the Workplace

A complete version of the Weapons in the Workplace Policy is available on eGate.

Employees, contingent workers and contractors are not permitted to bring weapons of any kind onto Company premises or to Company functions, except as otherwise provided by state or local law. For purposes of this policy, weapons include, but are not limited to, firearms, ammunition, knives, chains, dangerous chemicals, explosives, or other objects carried for the purpose of injuring or intimidating others. This prohibition applies to employees who have a license to carry firearms.

Any employee who is suspected of possessing a weapon will be subject to a search at the Company’s discretion and pursuant to Company policies as permitted by law.

Possession or use of weapons of any kind, concealed or otherwise, is prohibited:

- While on the premises of any Electrolux facility or any space leased by Electrolux (including parking areas), except as otherwise provided by state or local law;
- While operating a Company, Pool, Rental or Personal Vehicle for Electrolux-related business (except as otherwise provided by state or local law); and/or;
- While engaged in conducting business on behalf of Electrolux, except to the extent that state law expressly prohibits limitations and Electrolux acknowledges such limitations after the request of the employee.

Personal Situations

Employees should immediately inform a Supervisor/Manager, other member of management, and/or Human Resources of any of the following situations:



EMPLOYMENT PRACTICES

- Incidents of domestic or family abuse, violence or threats against an employee, where there is a possibility the other party will seek out the employee at work.
- An employee has obtained a restraining order, naming his/her workplace as a restricted area.
- An employee is receiving threatening or harassing telephone calls, emails, voicemails, or other messages at work.
- An employee is the target of unwanted pursuit by someone who has been seen at or near the workplace.

Open Door Policy

Electrolux values its employees and wants to correct any condition or address any issue that may cause unfairness or misunderstanding or may negatively impact its operations. Accordingly, Electrolux has adopted an open door policy for all employees. The purpose of this policy is to encourage open communication, feedback, and discussion about any matter of importance to an employee. If an employee is concerned about any of his/her work experience, he/she is encouraged to address the concern with a supervisor/manager, any member of management and/or Human Resources. By listening to its employees, the Company is able to improve, address complaints, and foster its employees' understanding of the rationale for practices, processes, and decisions.



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Information Technology and Electronic Communication

Information Security Policy

A complete version of the NA Information Security Policy is available on eGate.

Electrolux only authorizes the user to access information which is needed to perform their job. It is against policy to attempt to gain access to any information system/database for which authority has not been given.

Users must choose passwords which are difficult for other parties to guess (several words strung together, a combination of characters and numbers, a combination of characters and punctuation, etc.). Passwords must be known only by the user and must not be provided to any other person.

Electronic mail should be used responsibly and for company business. The Company recognizes that employees may wish to use electronic mail for personal matters; however, the abuse of this privilege may result in disciplinary action. The use of your Electrolux email account to register for online services of a personal nature is not permissible. The storing, circulation or exchange, by electronic mail or other system resource, of messages or pictures that are offensive, obscene, threatening or cause harassment in violation of Company policy are strictly prohibited.

Electrolux employees shall have no privacy expectation in any authorized or unauthorized communication or in any Electrolux electronic communications media. In keeping with applicable law, Electrolux reserves the right to monitor, retrieve and disseminate all such communications as well as any data retrievable from Electrolux electronic communications media. This includes but is not limited to Electrolux provided cell phones, computers, storage devices, network storage devices, and cloud storage devices.

Electrolux maintains the right to deny access to any URL website. The Company recognizes that employees may wish to use Internet browsing for personal matters; however, the abuse of this privilege may result in disciplinary action, up to and including termination. Accessing, downloading and printing from offensive and obscene sites, including but not limited to, sites that would be inconsistent with the Electrolux Code of Conduct, are strictly prohibited.

The unauthorized download of software or information is not permitted as it could infringe data-protection or copyright law and may also contain viruses.

Electrolux employees are responsible for securing both the company's hardware and data. Laptops should not be left unattended in public or in your personal vehicles. All data must be stored on authorized storage systems owned or approved by Electrolux. The use of personal removable media (thumb drives & external USB drives) is strongly discouraged for security reasons.



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If company equipment is stolen, the user is responsible for filing a police report and contacting the Electrolux Helpdesk.

Upon termination or separation of employment, Electrolux employees will be responsible for the return of all company assets including, but not limited to, laptops, mobile phones, tablets, etc.

Storing of personal information on network resources (e.g. shared servers) is not permitted.

Mobile Device Security Policy

A complete version of the NA Mobile Device Security Policy is available on eGate.

Electrolux has a service that enables eligible employees to access Electrolux email, address books, calendars and files via Electrolux issued handheld devices or personal mobile devices.

A mobile device management tool will be installed on any mobile device that has access to Electrolux data, whether it is a corporate-issued or personal mobile device. This tool is used to protect Electrolux data, manage applications, control features used on the device, as well as allow Electrolux to physically locate a lost or stolen device.

Employees who choose to store personal information on a company-provided device should have no expectation of privacy. This includes personal mobile devices that have access to Electrolux email, address books, journals, to-do lists, calendars, and files, regardless of whether the device is corporate-issued or personal.

Information transferred to the handheld mobile device remains Electrolux property and may not be distributed or shared with third parties.

If any device accessing Electrolux data is lost or stolen, the employee must immediately notify the Electrolux Helpdesk. This includes corporate-issued or personal devices.

All phone numbers used on authorized mobile devices remain the property of Electrolux and are not to be ported to a personal device without approval from Human Resources.

Personal Phone Calls

While at work employees are expected to exercise discretion in the use of Company and personal phones. Excessive personal calls during the workday, regardless of the phone used, can interfere with employee productivity and be distracting to others. Employees should restrict personal calls during work time and should use personal cell phones only during scheduled breaks or lunch periods in non-working areas. This applies to the use of Company phone equipment as well as cellular phones.



PERSONAL CONDUCT

Records Management

A complete version of the NA Records Management Policy is available on eGate.

The Records Management Policy establishes required practices and procedures regarding the retention and destruction of any and all types of records for all employees of Electrolux. The purpose of this policy is to promote the retention of records that the Company needs to operate its business or is required by law to retain; and encourage the destruction of all other records.

Record(s) as used in this Policy means any and all information in any form, electronic or tangible, which the Company creates or receives. Records may exist (i) in any media, including, but not limited to, written documents, charts, maps, graphs, photographs, videos, or as electronic data in emails, Excel, Word, pdf, jpeg, or other file formats; and (ii) in any physical or electronic location, including, but not limited to, boxes, file cabinets, storage facilities, network drives, hard drives, flash drives, PDAs, CDs, DVDs, or computer tape.

Legal and Audit Holds

From time to time, the Company receives subpoenas and other legal requests for specified records. It is the Company's policy to comply fully with all such lawful requests. To determine whether a particular request is proper and to oversee compliance, employees are required to forward immediately any outside request for records in any form to the Legal Department or the Tax Department (as appropriate). These types of requests usually have firm deadlines; missing these deadlines could result in fines or penalties being assessed against the Company.

The Company also has a duty to preserve records that are relevant to pending or anticipated legal proceedings, pending audits or pending governmental investigations. Once the Legal Department or Tax Department determines that certain records need to be preserved and/or produced in connection with pending or anticipated legal proceedings, pending audits or pending governmental investigations, the Legal Department or the Tax Department (as applicable) will contact the appropriate persons to put a legal or audit "hold" on those records. Employees holding records subject to a legal or audit hold must suspend any and all discarding of such records that might otherwise be permitted under this policy. In addition, the Legal Department and the Tax Department (as applicable) will communicate the hold to the IT Department and cooperate with them to implement the hold with respect to electronic records in the Company's possession.

It is important that employees follow the Legal Department's and the Tax Department's directives. Companies can be penalized for destroying records even inadvertently, that it had a duty to preserve. If there is doubt about whether a record is responsive to one of these requests, employees should discuss it with the Legal Department or the Tax Department (as applicable) as soon as possible. Any request to preserve records includes electronic forms and duplicates of such records. Any such records stored electronically or in duplicate should be preserved and segregated in their original form. For information or training regarding how to preserve records, contact the Legal Department or the IT Department. In general, email accounts of employees who have records subject to legal



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holds will not be subject to the periodic deletion of emails by the IT Department. Depending on the circumstances, the IT Department may make copies of relevant records stored electronically subject to a legal or audit hold to ensure their preservation.

Once the legal requirement for a legal or audit hold expires, either the Legal Department or the Tax Department (as applicable) will notify the individuals maintaining such records that the hold has been “cleared” and the general retention practices and procedures outlined in this policy will once again apply to those records.

Social Security Number and Personal Identifying Information Privacy

The Company prohibits employees from unlawfully acquiring, disclosing, transferring, or using applicants’ or employees’ Social Security Numbers (SSNs). Furthermore, employees with internal access to applicants’ or employees’ personal identifying information (PPI) are prohibited from unlawfully communicating such information to the general public. For purposes of this policy, PPI includes home address, telephone number, personal electronic mail address, internet identification name or password, parent’s surname prior to marriage, drivers’ license number, state identification card number, account number, credit or debit card number, passport number, alien registration number, health insurance identification number, or any military identification information.

Internal access to SSNs and PPI is restricted to employees with a legitimate business need for the information. Employee SSNs will not be publicly posted, displayed, or visibly printed on any identification badge or time card. Employees who have internal access to SSNs and PPI must follow established procedures for the proper disposal of materials that contain SSNs and PPI, including shredding and deletion of electronic documents.

Violation of this policy will result in disciplinary action, up to and including, termination. This policy will not be enforced to prevent employees from discussing their terms or conditions of employment with each other or third parties. For more information about this policy, contact Human Resources.

Social Media Policy

The main purpose for having an Electrolux presence in social media is to engage with our end consumers, build brand and create sales leads. In addition, we want to do corporate and employer branding and for this purpose, we have dedicated teams and experts. Employee engagement and advocacy are important to Electrolux as they build pride, the Group brand, and help us attract talent.

When communicating in social media, the same terms of engagement and Company policies apply as in the office: use common sense and sound judgment to guide your postings and remember to follow the Electrolux Code of Conduct, Harassment Free Workplace Policy, the Group Information Policy, and the Group Brand Policy. (All policies are available on eGate). A good general rule of thumb is to remember that **all information that is public can be shared, but internal, confidential and insider information cannot be shared externally**. Internal, confidential, and insider information is defined as sensitive



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Company operating materials or information, including, but not limited to policies, procedures, financial information, attorney/client information, marketing strategies, medical information, research and development strategies, scientific data, technological data, and trade secrets not generally known to the public.

Media Communications

No Electrolux employee or Consultant shall, on behalf of the Company, comment about Electrolux or its affairs to the media, investors, financial or industry analysts or outside consultants without approval from NA Corporate Communications. Questions and requests from the financial market should always be reverted back to Group Investor Relations.

Confidentiality and Inventions

To maintain our competitive advantage in the global market and to protect the Company's assets, our manufacturing and business processes, technical and business information, equipment, and means of operation are strictly confidential.

All Electrolux employees will be required to sign an Employee Agreement on Confidential Information, Electronic Media Systems, Inventions, Patents, and Writings as a condition of employment with Electrolux. The Agreement may include terms regarding Confidentiality, Intellectual Property, and Non-Compete clauses.

All employees are required to respect the Company's Confidential Information by not using it except for the Company's purposes and by not disclosing it to third parties during employment or after employment has ended.

Videotaping, Photography and Audio Recordings

In this highly competitive environment, the Company must protect its proprietary and confidential information about its products. Indeed, the dissemination of confidential product information will cause irreparable damage to the Company's business. Therefore, videotaping, photographing, or making audio recordings is prohibited while on working time in working areas on the Company premises. Exceptions will require approval from NA Corporate Communications. This policy is not intended to interfere with employee's rights to exercise rights under the NLRA or any other law.

Gambling

Gambling is the wagering of money or other valuables on the outcome of events. Electrolux does not permit employees to engage in any form of gambling on Company property, during work time, on Electrolux systems and equipment.



PERSONAL CONDUCT

Examples of gambling include, but are not limited to:

- Any kind of game, contest, lottery, or raffle where proceeds from donations are used to fund or purchase a prize (i.e. card and dice games, sports pool, fantasy sports league, etc.).
- Any kind of online gambling activity.

Questions regarding whether an activity is in violation of this policy should be directed to Legal or Human Resources.

Tobacco-Free Workplace

Electrolux cares about its employee's health and safety. The health problems that can occur from tobacco use are well known.

Smoking and tobacco use (including smokeless products such as chewing tobacco, electronic cigarettes, including vapes) is prohibited in all offices, work areas, conference rooms, break areas, restrooms and Company-owned vehicles.

Designated areas outside the building are provided for smokers/tobacco users during their regular breaks and lunch times only.

Sale of Goods & Services and Solicitation/Distribution

At no time can products or services be sold for profit while on Company premises or while conducting Company business other than for Company-related products (such as personal protective equipment).

- **Solicitation** by employees is prohibited when the person soliciting or the person being solicited is on working time. Working time does not include breaks, meals, or before or after the regular work schedule.
- **Distribution** by employees during working time is prohibited. Distribution by employees in working areas is prohibited at all times.

Solicitation and distribution by non-employees on Company property (including parking areas) is prohibited at all times.

This policy is not intended to interfere with, restrain, or coerce any employee in the exercise of his or her rights under applicable federal, state, or local laws.

Questions concerning interpretation or enforcement should be directed to Human Resources.



PERSONAL CONDUCT

Communications/Bulletin Boards

Certain bulletin boards throughout the sites are reserved for the posting of legally mandated and/or Company-approved materials.

Under no circumstances are these boards to be used for the posting of any other materials, including personal items for sale or entertainment. Postings on the bulletin boards require prior approval by Human Resources.

Work Day

The work day is defined as the period between the commencement of the principal activities that an employee is engaged to perform on a given day, and the cessation of the principal activities for that day. All time spent by an employee in the performance of such activities are hours of work. The work day is not limited to a calendar day or any other 24-hour period.

Attendance

All employees are required to report their absences to their manager. An employee who is absent for two (2) consecutive work days without notifying the Company of their intended absence may be subject to discipline, up to and including termination of employment.

Personal Appearance

Employees should be properly attired for the environment in which they work. No dress code policy can cover all contingencies, so employees are expected to use good judgment when choosing appropriate clothing to wear to the workplace.

Clothing must be appropriate as it relates to the particular job being performed and/or for a specific work situation. Consideration will be given to comfort; however, **personal safety will be a driving factor in all situations**. In general, clothing that works well for the beach, exercise sessions and dance clubs are not considered appropriate for work. An employee's attire should be modest and not revealing, should conceal all undergarments, should not display offensive language or graphics, political messaging, and should not violate safety work rules. Employees may request an exception to these appearance guidelines as an accommodations based on religious, cultural, medical, or other reasons by contacting Human Resources.

Supervisors/Managers and Human Resources reserve the right to require an employee to change if clothing is considered inappropriate for the work environment or work situation. If repeated instances of inappropriate attire occur, disciplinary action can result, up to and including termination.



PERSONAL CONDUCT

Conducting Searches on Company Premises and Personal Property

Employees should have no expectation of privacy when they bring personal items onto Company property. All property of the Company remains under the control of Electrolux and is subject to inspection at any time, without notice to the employee, and without the employee's presence. To the extent allowed by law, the Company reserves the right to search or inspect any Company property, as well as the property of any employee, visitor, customer, vendor, etc., including any vehicle, package, personal effects, workspaces, container, bundle, etc., in the possession of such individuals. All searches under this Policy shall be conducted by a Company representative or agent. The Company assumes no responsibility for the loss of, or damage to, any employee's property maintained on Company premises including that kept in lockers and desks. If an employee refuses to permit a search, the employee will be subject to discipline, up to and including immediate termination of employment. Should an employee refuse such a request, the individual will be directed to leave the premises immediately.

Drug and Alcohol Free Workplace

A complete version of the Drug and Alcohol Free Workplace Policy is available on eGate.

Electrolux is committed to providing a healthy and safe workplace for its employees, free from the use of drugs and alcohol. Electrolux recognizes that illegal drug use and abuse of alcohol or prescription medication have a number of adverse health and safety consequences.

Employees should be aware that the Electrolux Drug and Alcohol Free Workplace Policy covers the use of prescribed or over-the-counter medications under certain circumstances. The legal use of prescribed or over-the-counter medication at Electrolux is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe manner. Employees are required to notify Human Resources whenever they are using prescription medication or over-the-counter medication that their medical care provider, pharmacist or the drug manufacturer via the medication insert or packaging, has indicated may affect their ability to safely perform the essential functions of their position, e.g., driving, operating machinery and/or when employees in safety-sensitive positions or who perform job functions that implicate workplace safety are experiencing negative side effects of medications such as impaired concentration, dizziness or sleepiness when taking their medication.

Discipline

Employees are expected to follow basic rules of conduct while they are at work. These rules are outlined in this section. Employees are also expected to perform their work at a consistently acceptable level.

Electrolux can impose corrective action to improve employee conduct and job performance and encourage compliance with all collective Electrolux policies. However, the disciplinary



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policy is not required to be progressive in each situation. Electrolux reserves the right to apply whatever form of discipline is appropriate for the circumstances, including termination. This is consistent with the Company's "employment at will" policy.

No manager can discharge an employee without first involving Human Resources and allowing for a review and consideration of facts, during which time the employee may be sent home from work without pay (unless applicable wage laws apply) pending the outcome.

Every instance of unacceptable behavior or poor performance will be reviewed individually. The Company's response will depend on the circumstances of the violation and the degree to which it affects the work environment.

An employee will be disciplined, and may be terminated, depending on how often such offenses occur and the degree to which such offenses disrupt the work environment and/or business operations.

Reasons for discipline and termination include, but are not limited to:

- Attendance
- Work Performance
- Safety Violation
- Tampering with or misuse of Company Property
- Inappropriate Behavior
- Policy Violations



COMPENSATION AND TIME AWAY FROM WORK

COMPENSATION AND TIME AWAY FROM WORK

Pay Administration Philosophy

Electrolux is committed to compensating its employees in a manner that is fair, consistent, reflective of the external market, and provides recognition for the achievement of individual goals, corporate objectives and professional competency. Our pay rates are reviewed periodically to the pay rates for similar positions in other companies to ensure that pay is competitive and consistent with the Company's overall performance goals and resources. The process of pay administration involves a combination of:

- Understanding how each job contributes to the efficient operations of Electrolux;
- Knowing what other companies pay their employees; and
- Assessing the relative importance between what we value at Electrolux (internal equity) and trends in other companies (external equity).

An employee's job title merely identifies the individual's position in the Company, but does not describe the knowledge necessary for the job, the job responsibilities, or the daily activities associated with the job.

Pay Periods and Errors in Pay

Please refer to UltiPro for contact information.

Electrolux takes all reasonable steps to ensure that each employee receives the correct amount of pay on each paycheck and is paid promptly on their scheduled pay day. The pay date for all non-exempt salaried employees is weekly on Friday. Salaried exempt employees are paid bi-weekly on Friday. If a pay day falls on a federal holiday, employees will receive their pay on the preceding workday.

In the event that there is an error in the amount of pay an employee receives, the employee should promptly bring the discrepancy to the attention of their local HR Department or HR Services, who will refer the inquiry to the appropriate team for investigation. Necessary corrections will be made as soon as administratively possible.

Wage Deductions

Electrolux must make deductions from an employee's pay for many different reasons. For example, the Company is required by law to deduct certain amounts for taxes, Social Security, etc.

Additionally, unless prohibited by state law, Electrolux may receive orders from government entities for child support, wage assignments, wage deductions, student loan deductions,



COMPENSATION AND TIME AWAY FROM WORK

garnishments, or tax levies which instruct the Payroll Department to deduct wages from an employee's pay.

If an employee believes that a transaction has been made to his/her pay in error, the employee should promptly notify his/her local HR Department or HR Services, who will then investigate the issue. An employee will not be penalized for reporting a suspected error and the Company will make the proper adjustment for any improper transactions.

Pay Transparency Nondiscrimination Provision

The Company will not discharge or in any other manner discriminate against employees or applicants because they have inquired about, discussed, or disclosed their own pay or the pay of another employee or applicant. However, employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information, unless the disclosure is (a) in response to a formal complaint or charge, (b) in furtherance of an investigation, proceeding, hearing, or action, including an investigation conducted by the employer, or (c) consistent with the Company's legal duty to furnish information. 41 CFR 60-1.35(c)

Time Records

All non-exempt employees are required to complete accurate weekly time reports showing all time actually worked. These records are required by governmental regulations and are used to calculate regular and overtime pay. At the end of each week, the employee and his or her supervisor must approve the time sheet attesting to its correctness. Employees must have management approval in advance to conduct any work outside of the office environment.

Employees should never perform work off the clock. It is the Company's policy that employees be compensated for any work they perform for the Company that is within the scope of their employment. Employees cannot "volunteer" to work for the Company doing work that would normally be part of their job. If employees are ever asked to work for the Company "off-the-clock," they must notify Human Resources as soon as possible. Working "off-the-clock" could result in disciplinary action up to and including termination.

Overtime

When required due to the needs of the business, employees may be asked to work overtime. Overtime is actual hours worked in excess of 40 in a workweek for which a non-exempt employee will be paid time and one half times their regular rate or as otherwise required by state or local law. All overtime work must be approved in advance by a supervisor or manager. Intentionally reporting inaccurate hours will result in disciplinary action, up to and including termination.



COMPENSATION AND TIME AWAY FROM WORK

Part-Time Employees

Part-time employees are eligible for prorated compensation for the following categories based on their normal work schedule:

- Holidays
- Vacation
- Bereavement Leave

Office Closure

It is the policy of Electrolux to remain open during most periods of inclement weather; however, where extraordinary circumstances warrant, due to weather or other unforeseen business interruption, the Company reserves the right to close the facility for the safety of its employees. Upon determination that Electrolux will be closed due to an emergency situation, all efforts will be made to notify employees properly. Examples of communication include the Inclement Weather Notification System, outgoing message on the Company's main line and local news outlets will be notified, where appropriate.

Holidays

Electrolux recognizes 10 paid holidays (a maximum of 80 hours) during the calendar year. The holiday schedule may vary by location.

Vacation

Please refer to the Vacation Policy available on UltiPro.

Electrolux recognizes the importance of time off from work to relax, spend time with family, and enjoy leisure activities. The Company provides paid vacation time to its employees for this purpose, and employees are encouraged to take vacation throughout the year.

Earning Vacation Benefits

- Vacation benefits are based on a calendar year (January – December).
- Employees will earn vacation per pay period worked or while on short-term disability during the calendar year.
- Part-time employees earn a prorated share (rounded to the nearest hour) of vacation based on the ratio of their regularly scheduled workweek to a 40 hour workweek.

The schedule for earning vacation days during employment with Electrolux is as follows:

<u>Years of Service</u>	<u>Vacation Hours</u>	<u>Vacation Days</u>
0 – 6 years	120 hours	15 days
7+ Years	160 hours	20 days



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In the calendar year that 7 years of service is reached, the employee will be eligible for the full vacation time listed for that year, effective January 1st of the same year.

Vacation days must be taken in full or half day increments except when used for FMLA purposes. Vacation days do not carry over from one year to the next, unless otherwise required under state law.

Employees who terminate employment will be paid for earned, unused vacation time during the calendar year of the termination.

Paid Time Off (PTO)

Please refer to the PTO Policy and state specific PTO policies available on UltiPro.

Full-time, non-exempt employees are provided with twenty-four (24) hours of Paid Time Off ("PTO") each year. These hours are granted on January 1 for each year.

PTO can be used for legitimate personal reasons, including but not limited to:

- Illness or medical care for self or family;
- Legal appointments or services;
- Children's school functions;
- Funerals not covered under the Bereavement Leave Policy;
- Days when weather prevents safe travel to or from work.

PTO may not be used for:

- Additional vacation time;
- Tardiness;
- Recreational activities;
- Unexcused absences.

PTO cannot be carried over into the next fiscal year. We classify PTO as sick days for states that require it. No compensation will be paid for unused PTO.

The Company will apply its policies consistent with state and local laws.

Civic Responsibilities

Court Related Absences

To permit employees to fulfill their civic responsibilities, they will be excused from work for the following reasons:

- Receiving a summons for jury duty;
- Receiving a subpoena to testify in a criminal or civil court case.

Employees are required to provide their manager with advanced notice when they receive a summons for jury duty or are required to appear in court under subpoena. Employees



COMPENSATION AND TIME AWAY FROM WORK

who have jury duty on one or more scheduled work days will receive their usual compensation for all time spent in jury duty. The Company may require the employee to submit verification or documentation of the court service.

Voting

Generally, polling hours allow employees sufficient time to vote either before or after their scheduled workday. However, if an employee's work schedule conflicts with the polling hours, or if the employee will not have sufficient time to vote either before or after regular work hours, the employee should discuss alternate arrangements with his/her manager in order to allow for sufficient time to vote during work hours. The employee must immediately return to work after voting.

Travel Time Compensation

For exempt employees, time spent in travel is not a factor in calculating compensation, regardless of whether the travel occurred during regular or non-regular work hours. Non-exempt employees will be compensated for travel time while on Company business in accordance with the requirements of federal and state law.

In general, non-exempt employees are compensated for travel for Company business as follows:

Single Day Travel

All travel time (excluding normal meal periods) in a single day (leave and return the same day) is compensable, regardless of:

- whether or not travel occurs during regular work hours
- whether the employee is a passenger or driver, or
- whether travel occurs on a weekend or holiday

Usual waiting time between segments of a trip or at common carrier terminals is also compensable.

Overnight Travel

For travel that involves an overnight stay, travel time is compensable when it corresponds with the employee's normally scheduled work hours, regardless of the day of the week, including usual waiting time between segments of a trip or at common carrier terminals. Employees driving or otherwise working will be paid for their time.

Leaves of Absence

There may be times when employees need to be absent from the workplace under certain conditions. Below is an outline of the general terms for family and medical leave, military leave and personal leave. An employee who has questions or needs additional information about the different types of leave should contact Human Resources.



COMPENSATION AND TIME AWAY FROM WORK

All leaves of absence (with the exception of bereavement leave) require advance approval from Human Resources, except as otherwise provided by the policy. In addition, absences from work for three (3) or more days due to illness or injury must be reported to Human Resources, who will determine if the absence qualifies as a leave.

Employees who are on a leave status may not perform work for the Company during their leave period.

Employees are responsible for initiating and assuring proper completion of the appropriate documentation to request a leave of absence. Additionally, employees are expected to return to work at the expiration of an approved leave of absence on the predetermined date as scheduled, unless an extension has been authorized.

Misrepresentation of the facts concerning the need for a leave of absence or any requested extensions of a leave of absence will result in corrective action, up to and including termination of employment.

Family and Medical Leave Act (FMLA)

The Family and Medical Leave Act ("FMLA") provides eligible employees the opportunity to take unpaid, job-protected leave for certain specified reasons. The maximum amount of leave an employee may use is either 12 or 26 weeks within a 12-month period depending on the reasons for the leave.

Employee Eligibility

To be eligible for FMLA leave, you must:

- have worked at least 12 months for the Company in the preceding seven years (limited exceptions apply to the seven-year requirement);
- have worked at least 1,250 hours for the Company over the preceding 12 months; and
- currently work at a location where there are at least 50 employees within 75 miles.

All periods of absence from work due to or necessitated by service in the uniformed services are counted in determining FMLA eligibility.

Conditions Triggering Leave

FMLA leave may be taken for the following reasons:

- birth of a child, or to care for a newly-born child (up to 12 weeks);
- placement of a child with the employee for adoption or foster care (up to 12 weeks);
- to care for an immediate family member (employee's spouse, child, or parent) with a serious health condition (up to 12 weeks);
- because of the employee's serious health condition that makes the employee unable to perform the employee's job (up to 12 weeks);
- to care for a Covered Servicemember with a serious injury or illness related to certain types of military service (up to 26 weeks) (see Military-Related FMLA Leave for more details); or,



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- to handle certain qualifying exigencies arising out of the fact that the employee's spouse, son, daughter, or parent is on covered active duty or call to covered active duty status in the Uniformed Services (up to 12 weeks) (see Military-Related FMLA Leave for more details).

The maximum amount of leave that may be taken in a 12-month period for all reasons combined is 12 weeks, with some exceptions. For leave to care for a Covered Servicemember, the maximum combined leave entitlement is 26 weeks, with leaves for all other reasons constituting no more than 12 of those 26 weeks. In addition, if spouses both work for the Company and each wishes to take leave for the birth of a child, adoption or placement of a child in foster care, or to care for a parent (but not a parent "in-law") with a serious health condition, the spouses may only take a combined total of 12 weeks of leave. If spouses both work for the Company and each wishes to take leave to care for a covered injured or ill service member, the spouses may only take a combined total of 26 weeks of leave.

Definitions

A "Serious Health Condition" is an illness, injury, impairment, or physical or mental condition that involves either an overnight stay in a medical care facility, or continuing treatment by a health care provider for a condition that either prevents the employee from performing the functions of the employee's job, or prevents the qualified family member from participating in school or other daily activities. Subject to certain conditions, the continuing treatment requirement includes an incapacity of more than three full calendar days and two visits to a health care provider or one visit to a health care provider and a continuing regimen of care; an incapacity caused by pregnancy or prenatal visits, a chronic condition, or permanent or long-term conditions; or absences due to multiple treatments. Other situations may meet the definition of continuing treatment.

Identifying the 12-Month Period

The Company measures the 12-month period in which leave is taken by the "rolling" 12-month method, measured backward from the date of any FMLA leave with one exception. For leave to care for a covered servicemember, the Company calculates the 12-month period beginning on the first day the eligible employee takes FMLA leave to care for a covered servicemember and ends 12 months after that date. FMLA leave for the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement.

Using Leave

Eligible employees may take FMLA leave in a single block of time, intermittently (in separate blocks of time), or by reducing the normal work schedule when medically necessary for the serious health condition of the employee or immediate family member, or in the case of a covered servicemember, his or her injury or illness. Eligible employees may also take intermittent or reduced-scheduled leave for military qualifying exigencies. Intermittent leave is not permitted for birth of a child, to care for a newly-born child, or for placement of a child for adoption or foster care. Employees who require intermittent or reduced-schedule leave must try to schedule their leave so that it will not unduly disrupt the Company's operations.



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Use of Paid Time Off

Depending on the purpose of your leave request, the Company may require you to use paid time off concurrently with some or all of your FMLA leave. In order to substitute paid time off for FMLA leave, an eligible employee must comply with the Company's normal procedures for the applicable paid-leave policy (e.g., call-in procedures, advance notice, etc.).

Maintenance of Health Benefits

If you and/or your family participate in our group health plan, the Company will maintain coverage during your FMLA leave on the same terms as if you had continued to work. If applicable, you must make arrangements to pay your share of health plan premiums while on leave. In some instances, the Company may recover premiums it paid to maintain health coverage or other benefits for you and your family. Use of FMLA leave will not result in the loss of any employment benefit that accrued prior to the start of your leave.

Notice and Medical Certification

When seeking FMLA leave, you are required to provide:

- sufficient information for us to determine if the requested leave may qualify for FMLA protection and the anticipated timing and duration of the leave. Sufficient information may include that you are unable to perform job functions, a family member is unable to perform daily activities, the need for hospitalization or continuing treatment by a health care provider, or circumstances supporting the need for military family leave. You must also inform the Company if the requested leave is for a reason for which FMLA leave was previously taken or certified.
- If the need for leave is foreseeable, this information must be provided 30 days in advance of the anticipated beginning date of the leave. If the need for leave is not foreseeable, this information must be provided as soon as is practicable and in compliance with the Company's normal call-in procedures, absent unusual circumstances.
- medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member within 15 calendar days of the Company's request to provide the certification (additional time may be permitted in some circumstances). If you fail to do so, we may delay the commencement of your leave, withdraw any designation of FMLA leave or deny the leave, in which case your leave of absence would be treated in accordance with our standard leave of absence and attendance policies, subjecting you to discipline up to and including termination. Second or third medical opinions and periodic re-certifications may also be required;
- periodic reports as deemed appropriate during the leave regarding your status and intent to return to work; and



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- medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition. The Company will require this certification to address whether you can perform the essential functions of your position.

Failure to comply with the foregoing requirements may result in delay or denial of leave, or disciplinary action, up to and including termination.

Employer Responsibilities

To the extent required by law, the Company will inform employees whether they are eligible under the FMLA. Should an employee be eligible for FMLA leave, the Company will provide him or her with a notice that specifies any additional information required as well as the employee's rights and responsibilities. If employees are not eligible, the Company will provide a reason for the ineligibility. The Company will also inform employees if leave will be designated as FMLA-protected and, to the extent possible, note the amount of leave counted against the employee's leave entitlement. If the Company determines that the leave is not FMLA-protected, the Company will notify the employee.

Job Restoration

Upon returning from FMLA leave, eligible employees will typically be restored to their original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.

Failure to Return After FMLA Leave

Any employee who fails to return to work as scheduled after FMLA leave or exceeds the 12-week FMLA entitlement (or in the case of military caregiver leave, the 26-week FMLA entitlement), will be subject to the Company's standard leave of absence and attendance policies. This may result in termination if you have no other Company-provided leave available to you that applies to your continued absence. Likewise, following the conclusion of your FMLA leave, the Company's obligation to maintain your group health plan benefits ends (subject to any applicable COBRA rights).

Fraud

Providing false or misleading information or omitting material information in connection with an FMLA leave will result in disciplinary action, up to and including immediate termination.

Employers' Compliance with FMLA and Employee's Enforcement Rights

FMLA makes it unlawful for any employer to interfere with, restrain, or deny the exercise of any right provided under FMLA, or discharge or discriminate against any person for opposing any practice made unlawful by FMLA or for involvement in any proceeding under or relating to FMLA.

While the Company encourages employees to bring any concerns or complaints about compliance with FMLA to the attention of the Human Resources Department, FMLA regulations require employers to advise employees that they may file a complaint with the U.S. Department of Labor or bring a private lawsuit against an employer.



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Further, FMLA does not affect any Federal or State law prohibiting discrimination, or supersede any State or local law or collective bargaining agreement which provides greater family or medical leave rights.

Military-Related FMLA Leave

FMLA leave may also be available to eligible employees in connection with certain service-related medical and non-medical needs of family members. There are two forms of such leave. The first is Military Caregiver Leave, and the second is Qualifying Exigency Leave. Each of these leaves is detailed below.

Definitions

A “covered servicemember” is either: (1) a current servicemember of the Armed Forces, including a member of the National Guard or Reserves, with a serious injury or illness incurred in the line of duty for which the servicemember is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list; or (2) a “covered veteran” who is undergoing medical treatment, recuperation, or therapy for a serious injury or illness.

A “covered veteran” is an individual who was discharged under conditions other than dishonorable during the five-year period prior to the first date the eligible employee takes FMLA leave to care for the covered veteran. The period between October 28, 2009 and March 8, 2013 is excluded in determining this five-year period.

The FMLA definitions of “serious injury or illness” for current servicemembers and veterans are distinct from the FMLA definition of “serious health condition.” For current servicemembers, the term “serious injury or illness” means an injury or illness that was incurred by the member in the line of duty while on active duty in the Armed Forces or that existed before the beginning of active duty and was aggravated by such service, that may render them medically unfit to perform the duties of their office, grade, rank or rating.

For covered veterans, this term means a serious injury or illness that was incurred in the line of duty while on active duty in the Armed Forces or that existed before the beginning of active duty and was aggravated by such service and manifested itself before or after the individual assumed veteran status, and is: (1) a continuation of a serious injury or illness that was incurred or aggravated when they were a member of the Armed Forces and rendered them unable to perform the duties of their office, grade, rank or rating; (2) a physical or mental condition for which the covered veteran has received a VA Service Related Disability Rating (VASRD) of 50 percent or greater and such VASRD rating is based, in whole or in part, on the condition precipitating the need for caregiver leave; (3) a physical or mental condition that substantially impairs the veteran’s ability to secure or follow a substantially gainful occupation by reason of a disability or disabilities related to military service or would be so absent treatment; or (4) an injury, including a psychological injury, on the basis of which the covered veteran has been enrolled in the Department of Veterans Affairs Program of Comprehensive Assistance for Family Caregivers.

“Qualifying exigencies” include activities such as short-notice deployment, military events, arranging alternative childcare, making financial and legal arrangements related to the



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deployment, rest and recuperation, counseling, parental care, and post-deployment debriefings.

Military Caregiver Leave

Unpaid Military Caregiver Leave is designed to allow eligible employees to care for certain family members who have sustained serious injuries or illnesses in the line of duty while on active duty. Military Caregiver Leave is a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered servicemember during a single 12-month period.

To be “eligible” for Military Caregiver Leave, the employee must be a spouse, son, daughter, parent, or next of kin of the covered servicemember. “Next of kin” means the nearest blood relative of the servicemember, other than the servicemember’s spouse, parent, son, or daughter, in the following order of priority: blood relatives who have been granted legal custody of the servicemember by court decree or statutory provisions; brothers and sisters; grandparents; aunts and uncles; and first cousins; unless the servicemember has specifically designated in writing another blood relative as his or her nearest blood relative for purposes of Military Caregiver Leave. The employee must also meet all other eligibility standards as set forth within the FMLA Leave policy.

An eligible employee may take up to 26 workweeks of Military Caregiver Leave to care for a covered servicemember in a “single 12-month period.” The “single 12-month period” begins on the first day leave is taken to care for a covered servicemember and ends 12 months thereafter, regardless of the method used to determine leave availability for other FMLA-qualifying reasons. If an employee does not exhaust his or her 26 workweeks of Military Caregiver Leave during this “single 12-month period,” the remainder is forfeited.

Military Caregiver Leave applies on a per-injury basis for each servicemember. Consequently, an eligible employee may take separate periods of caregiver leave for each and every covered servicemember, and/or for each and every serious injury or illness of the same covered servicemember. A total of no more than 26 workweeks of Military Caregiver Leave, however, may be taken within any “single 12-month period.”

Within the “single 12-month period” described above, an eligible employee may take a combined total of 26 weeks of FMLA leave including up to 12 weeks of leave for any other FMLA-qualifying reason (i.e., birth or adoption of a child, serious health condition of the employee or close family member, or a qualifying exigency). For example, during the “single 12-month period,” an eligible employee may take up to 16 weeks of FMLA leave to care for a covered servicemember when combined with up to 10 weeks of FMLA leave to care for a newborn child.

An employee seeking Military Caregiver Leave may be required to provide appropriate certification from the employee and/or covered servicemember and completed by an authorized health care provider within 15 days. Military Caregiver Leave is subject to the other provisions in our FMLA Leave Policy (requirements regarding employee eligibility, appropriate notice of the need for leave, use of accrued paid leave, etc.). Military Caregiver Leave will be governed by, and handled in accordance with, the FMLA and applicable



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regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

Qualifying Exigency Leave

Eligible employees may take unpaid "Qualifying Exigency Leave" to tend to certain "exigencies" arising out of the covered active duty or call to covered active duty status of a "military member" (i.e. the employee's spouse, son, daughter, or parent). Up to 12 weeks of Qualifying Exigency Leave is available in any 12-month period, as measured by the same method that governs measurement of other forms of FMLA leave within the FMLA policy (with the exception of Military Caregiver Leave, which is subject to a maximum of 26 weeks of leave in a "single 12-month period"). Although Qualifying Exigency Leave may be combined with leave for other FMLA-qualifying reasons, under no circumstances may the combined total exceed 12 weeks in any 12-month period (with the exception of Military Caregiver Leave as set forth above). The employee must meet all other eligibility standards as set forth within the FMLA policy.

Persons who can be ordered to active duty include active and retired members of the Regular Armed Forces, certain members of the retired Reserve, and various other Reserve members including the Ready Reserve, the Selected Reserve, the Individual Ready Reserve, the National Guard, state military, Army Reserve, Navy Reserve, Marine Corps Reserve, Air National Guard, Air Force Reserve, and Coast Guard Reserve.

A call to active duty refers to a *federal* call to active duty, and *state* calls to active duty are not covered unless under order of the President of the United States pursuant to certain laws.

Qualifying Exigency Leave is available under the following circumstances:

- **Short-notice deployment.** To address any issue that arises out of short notice (within seven days or less) of an impending call or order to covered active duty.
- **Military events and related activities.** To attend any official military ceremony, program, or event related to covered active duty or call to covered active duty status or to attend certain family support or assistance programs and informational briefings.
- **Childcare and school activities.** To arrange for alternative childcare; to provide childcare on an urgent, immediate need basis; to enroll in or transfer to a new school or daycare facility; or to attend meetings with staff at a school or daycare facility.
- **Financial and legal arrangements.** To make or update various financial or legal arrangements; or to act as the covered military member's representative before a federal, state, or local agency in connection with service benefits.
- **Counseling.** To attend counseling (by someone other than a health care provider) for the employee, for the military member, or for a child or dependent when necessary as a result of duty under a call or order to covered active duty.



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- **Temporary rest and recuperation.** To spend time with a military member who is on short-term, temporary rest and recuperation leave during the period of deployment. Eligible employees may take up to 15 calendar days of leave for each instance of rest and recuperation.
- **Post-deployment activities.** To attend arrival ceremonies, reintegration briefings and events, and any other official ceremony or program sponsored by the military for a period of up to 90 days following termination of the military member's active duty status. This also encompasses leave to address issues that arise from the death of a military member while on active duty status.
- **Parental care.** To care for the military member's parent who is incapable of self-care. The parent must be the military member's biological, adoptive, step, or foster father or mother, or any other individual who stood in loco parentis to the military member when the member was under 18 years of age.
- **Mutually agreed leave.** Other events that arise from the military member's duty under a call or order to active duty, provided that the Company and the employee agree that such leave shall qualify as an exigency and agree to both the timing and duration of such leave.

An employee seeking Qualifying Exigency Leave may be required to submit appropriate supporting documentation in the form of a copy of the military member's active duty or rest and recuperation orders or other military documentation indicating the appropriate military status and the dates of active duty status, along with a statement setting forth the nature and details of the specific exigency, the amount of leave needed and the employee's relationship to the military member, within 15 days. Qualifying Exigency Leave will be governed by, and handled in accordance with, the FMLA and applicable regulations, and nothing within this policy should be construed to be inconsistent with those regulations.

Limited Nature of This Policy

This Policy should not be construed to confer any express or implied contractual relationship or rights to any employee not expressly provided for by FMLA. The Company reserves the right to modify this or any other policy as necessary, in its sole discretion to the extent permitted by law. State or local leave laws may also apply.

Military Leave

Please refer to the Military Policy available on UltiPro.

Electrolux complies with applicable state and federal law regarding military leave. Military leaves of absence will be granted to members of the uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act of 1994 and all amendments. Appropriate notice is required to be provided to the Company prior to the necessary leave. An employee who completes a military leave of absence will be reinstated to their previous or similar job in accordance with state and federal law. For more



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information regarding status, compensation, benefits, and reinstatement upon return from military leave, please contact Human Resources.

Disability Leave

Short-Term Disability

Please refer to the Short Term Disability Summary Plan Description available on UltiPro.

Short-term disability is offered to full-time employees working a minimum of 30 hours per week. Short-term disability is meant to cover temporary accidents or illnesses which prevent an employee from being able to perform the essential functions of their job. If an employee becomes disabled and cannot work for a short period of time, this coverage varies based on service and time away from work, up to the policy limits.

Short-term disability benefits will run concurrently with FMLA leave and/or any other leave where permitted by state and federal law. For example, disability leave for the birth of a child and for an employee's serious health condition, including workers' compensation leave (to the extent that it qualifies), will be designated as FMLA leave and will run concurrently with FMLA.

Long-Term Disability

Please refer to the Long Term Disability Summary Plan Description available on UltiPro.

Long-term disability benefits are offered to full-time employees working a minimum of 30 hours per week. If an employee becomes totally disabled and cannot work for an extended period of time, this coverage pays 60 percent of the employee's salary or Total Targeted Compensation (TTC, for commissioned employees), up to the policy limits.

Long-term disability benefits will run concurrently with FMLA leave and/or any other leave where permitted by state and federal law and may be reduced by other income received during this time.

Maternity Leave

Electrolux is firmly committed to protecting the rights of expectant mothers and complying with Title VII of the 1964 Civil Rights Act as amended by the Pregnancy Discrimination Act of 1978 and fully recognizes eligible employees' rights and responsibilities under the Family and Medical Leave Act, applicable state and local family leave laws, and the Americans with Disabilities Act.

Pregnant employees may continue to work until they are certified as unable to work by their physician. Requests for accommodations for pregnancy and related medical conditions should be directed to Human Resources. At that point, pregnant employees are entitled to receive benefits under the short-term disability insurance plan.

Workers' Compensation

Workers' compensation is a "no-fault" system that provides compensation for medical expenses and wage losses to employees who are injured or who become ill because of employment.



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The Company abides by all applicable state workers' compensation laws and regulations.

If an employee sustains a job-related injury or illness, no matter how minor, it is important to notify the manager and Human Resources immediately. In cases of true medical emergencies, report to the nearest emergency room.

Workers' compensation benefits will run concurrently with FMLA leave, if applicable, where permitted by state and federal law.

Bereavement Leave

Please refer to the Bereavement Leave Policy available on UltiPro.

Bereavement leave allows an employee to receive paid leave because of the death of a close relative.

Employees may take up to three (3) days of paid bereavement leave upon the death of a member of their immediate family. Immediate family members are defined as an employee's spouse, domestic partner, parents, legal guardians, stepparents, siblings, children, stepchildren, grandparents, father-in-law, mother-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, or grandchildren. Employees may take up to one (1) day off with pay to attend the funeral of an extended family member (grandparent-in-law, aunt, uncle, niece, nephew or cousin).

The availability and amount of leave may vary depending on individual circumstances such as distance to a funeral, responsibility for funeral and estate arrangements, or the relationship between the employee and the deceased. The Company may require verification of the need for the leave. The employee's manager and Human Resources Business Partner will consider this time off on a case-by-case basis.

Personal Leave of Absence

Please refer to the Personal Leave Policy available on UltiPro.

Employees who have satisfactory performance and have been employed over one year are eligible for an unpaid Personal Leave of Absence that includes at least five (5) consecutive working days but no more than thirty (30) calendar days during a 12-month rolling backward period, for serious and compelling non-medical related reasons.

The unpaid personal leave of absence must be approved in advance. Job performance, reason for the leave, advance notice given and departmental requirements will all be taken into consideration before a request is approved. At least 30 days advance notice is requested, if possible. All leave requests must be approved by both the immediate manager and Human Resources.

The employee is expected to return to work on the next scheduled work day following the allotted time for personal leave. The Company will terminate the employment of an



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employee who fails to immediately return to work at the end of an authorized Personal Leave of Absence.

Compliance with HIPAA Privacy and Security Regulations

Electrolux has a long-standing commitment to protecting the privacy of patient health information that flows to and from our health plan which is sometimes referred to as Protected Health Information ("PHI"). A part of this commitment involves compliance with the privacy standards contained in the regulations under the Health Insurance Portability and Accountability Act of 1996 (HIPAA). The regulation is known as the Privacy Rule.

The following is a general overview of the requirements of the HIPAA privacy regulations. Electrolux's health plan is referred to as a "Covered Entity" by these regulations and in this statement.

The HIPAA regulations govern the use and disclosure of PHI. In general, a Covered Entity may use PHI for purposes of treatment, payment, and health care operations. It may disclose PHI to another healthcare provider for treatment and payment purposes with the individual's authorization, and in certain other circumstances described by the regulations.

In using or disclosing PHI, a Covered Entity must restrict the use or disclosure to the minimum amount necessary to accomplish the purpose of the use or disclosure.

The HIPAA regulations also give individuals several rights with respect to their PHI. In addition to the rights to have access and to receive confidential communications about PHI, the individual may copy and inspect PHI, restrict its use and disclosure, amend it, and receive an accounting of disclosures made of their PHI.

Electrolux has appointed a Privacy Officer who is responsible for the development and implementation of the required policies and procedures for compliance with HIPAA. Employees who have access to PHI will be trained in HIPAA compliance and required to follow the regulations. Failure to do so may lead to discipline up to and including termination.

For any questions, concerns or a copy of the Notice of Privacy Practices please contact Human Resources.



BENEFITS OF EMPLOYMENT

BENEFITS OF EMPLOYMENT

Benefits Package

Please refer to the applicable benefit plan policies and Summary Plan Descriptions available on UltiPro.

Electrolux recognizes the value of benefits to employees and their families. The Company supports employees by offering a comprehensive and competitive benefits program. Employees are eligible for benefits on their first day of employment. If necessary, premiums will be retroactively processed to the beginning of the pay period from the first day of employment or the qualified life event effective date.

Medical/Pharmacy

As an Electrolux employee, you and your dependents are eligible to participate in a medical plan designed to give you freedom and flexibility at an affordable price. You have the ability to visit your doctor of choice. When using a participating provider, you receive greater benefits, while lesser coverage is also available for doctors and facilities out of network. True emergency care is always covered at in-network levels.

Electing to participate in medical insurance also gives you prescription coverage with a nationwide carrier. The retail prescription program is designed for short-term needs and the mail-order program is designed for participants to receive lower costs on maintenance medications.

All dependents covered must provide a valid social security number and other proof of dependency within 30 days of electing coverage. Any qualified life event will allow you to make changes to your coverage within 30 days of the event.

Dental

This plan provides you with free preventive care and also offers basic and major services from any dental provider.

You can enroll in dental coverage whether or not you elect medical coverage and may make changes to your elections during open enrollment or when you experience a life event.

Vision

Electrolux offers a choice of voluntary vision plans with a nationwide network. The vision plans offer the flexibility to see any provider; however, participants generally pay less when using an in-network provider.

Flexible Spending Accounts

With Flexible Spending Accounts (FSAs), you can use pre-tax dollars to pay for certain allowed expenses. There are two different plans offered:



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- The Health Care FSA plan is used for eligible out-of-pocket Health Care costs for employees and dependents.
- The Dependent Care FSA plan is used for eligible child care expenses while you work.

Group Life and AD&D Insurance

Electrolux provides life insurance for full-time employees who work a minimum of 30 hours per week. The life benefit is equal to 1.5 times an employee's annualized salary or Total Targeted Compensation (for commissioned employees). The cost of this coverage is paid for in full by the Company and comes with a matching amount of accidental death and dismemberment insurance.

Retirement Savings Plan (401(k))

Employees are eligible immediately and may contribute up to 25% of their pay on either a pre-tax or post-tax basis. Electrolux will match 100% of the first 3% of pay that employees contribute, and 50% of the next 2% (up to 4% Company match).

To ensure that employees take advantage of this great benefit, employees are automatically enrolled in the Plan 45 days after their hire date, or as soon as administratively feasible, unless they choose otherwise. However, it is encouraged that employees take an active role in the planning and review of the contribution amount and investment strategy to ensure it meets their needs.

Employer matching contributions are immediately 100% vested. Annually, the Company will deposit a base retirement contribution in the amount of 4% of eligible earnings, subject to plan terms. The annual base contribution is subject to a three-year vesting schedule.

Employee Assistance Program

The Employee Assistance Program (EAP) is a resource designed to provide highly confidential and experienced help for employees in dealing with issues that affect their lives and the quality of their job performance. Electrolux wants employees to be able to maintain a healthy balance of work and family that allows them to enjoy life. The EAP is a confidential counseling and referral service that can help employees successfully deal with life's challenges.

Tuition Reimbursement Program

The purpose of the Tuition Reimbursement Program is to provide full-time employees with one or more years of service educational assistance to enhance their career opportunities with Electrolux. The course of study or degree must be related to the employee's position or a foreseeable future position with the Company and approved by his/her manager and Human Resources.



BENEFITS OF EMPLOYMENT

Employee Purchase Program

The Employee Purchase Program is designed to encourage all employees of the Company, and their family and friends, to experience Group branded products and to showcase them in their homes at preferred pricing and/or rebates.



END OF EMPLOYMENT

END OF EMPLOYMENT

Voluntary Resignation

Electrolux requests that employees who decide to voluntarily resign from the Company provide a written letter of resignation to his or her immediate Manager or Human Resources, ideally a minimum of two weeks before the planned date of departure. The notice period must be actual working days. Vacation and paid time off (PTO) will not be counted toward the notice period.

In most cases, Human Resources will conduct an exit meeting on or before the last day of employment to collect all Company property, and to discuss final pay.

Involuntary Termination

An involuntary termination of employment is a management-initiated dismissal.

The inability of an employee to perform the essential functions of his or her job with or without a reasonable accommodation may also result in an involuntary termination. An employee may also be discharged for any legal reason, e.g., misconduct, tardiness, absenteeism, unsatisfactory performance or inability to perform.

Human Resources must approve all involuntary terminations before any action is taken.

Group Directive

Directive Holder
Directive Approver
Directive last revised

Group Compensation Directive

Mattias Ytterstrand, VP Total Rewards
Lars Worsøe Petersen, SVP HR & OD
January 01, 2020

Group Compensation Directive

1. Purpose

Electrolux is on a journey to shape living for the better through acting sustainably, creating better experiences and always striving to improve. This journey can only be accomplished through the company's greatest assets: its people.

The purpose of this directive is to provide a transparent overview of annual base salary and short-term incentives, as well as give guidance on loans, pre-payment, sales incentives and other variable pay (OVP).

2. Electrolux Group Commitment

Electrolux is dedicated to being a responsible employer for its entire workforce. When it comes to compensation specifically, we utilize the following guiding principles set forth in the Group People Policy:

- We will attract, retain and motivate employees, which includes providing market competitive rewards;
- We will operate in an open and fair manner, which includes how we create, develop and implement our people-related processes.

In addition, the following principles are applicable in the context of this directive:

- We aim to increase employee engagement by acknowledging personal development (competence) and individual contributions (performance);
- We aim to provide rewards in a cost-effective way.

3. Scope of application and implementation of this directive

This directive applies to all employees, unless local legislation or relevant collective bargaining agreements require otherwise.

The Directive Holder is responsible for monitoring this directive throughout the relevant parts of the organization and communicating it to the relevant employees. The Directive Holder is also responsible for ensuring the adequacy of the content of the directive and to propose changes and revisions when needed.

4. Legal framework

This directive is guided by international and local laws and regulations.

5. Definitions

Annual Base Salary (ABS)—Fixed salary. This includes all instalments as regulated by local law or collective labor agreement(s) as well as any legally required guaranteed recurring payments (e.g. holiday pay, 13th month, etc.) paid per annum that are in exchange for work during regular time or in the context of the employment agreement. As a result, this does not include compensation for overtime or similar payments, allowances meant to cover specific business-related costs or otherwise (e.g. compensation for non-compete clause or temporary project allowances).

Functional manager—The indirect manager of an employee based on a specific job function whose main responsibilities include, among other things, career development and signoff during the hiring process

Grading—An evaluation methodology based on analytical parameters in which positions are compared with the market in order to determine the scope & complexity of the position. This methodology ensures a common approach towards position grading and a consistent application of grades throughout regions and Organizational Areas. Positions are graded, calibrated and approved, involving various cross-organizational area and regional HR stakeholders and based on position information collected from the business. With the methodology, positions are graded, not individuals

HR Business Partner—The HR representative for the business where the employee is paid from or HR representative for the organizational area where the grandparent is located

HR Shared Services—The HR professionals responsible for providing administrative and operational support to line managers and employees in different areas of HR

Market Reference Point (MRP) —The market midpoint for each position

Operational manager—The direct manager of an employee who's main responsibilities include running the performance management process and making a salary increase proposal for the annual salary review process

Other Variable Pay (OVP) —Rewards that are based on key performance indicator rather than time on the job or the job's value. It typically refers to Sales Bonus, Local Bonus ...etc.

Regional Head of Total Rewards—The HR professional who is part of Group HR Total Rewards and responsible for a region

Global Rewards Committee—The governance body made up of Organizational Areas Heads and the VP Total Rewards

Short Term Incentive (STI) – A plan under which employees in certain positions may receive variable salary based on company performance; this is in addition to their fixed salary

Total Target Cash (TTC)—Fixed salary (ABS) plus variable salary (e.g. STI), where applicable

Group HR Total Rewards—The HR professionals responsible for defining people strategy and providing common tools, processes and policies to support the business and its team members across regions in the area of Rewards

6. Expectations of employees

While this directive is applicable to all employees, HR Business Partners and HR Shared Services in each region and/or Organizational Area are responsible for the implementation and safeguarding of this directive, including ensuring that there are regional/local procedures in place to support compliance.

6.1. Procedures - Annual Base Salary (ABS)

6.1.1. Pay for performance

Electrolux will make a differentiation in ABS based on position and performance. The scope and level of a position is established through grading and related tools.

Performance is considered the result of skills, competence and potential shown in the employee's daily behavior. Performance will be assessed and managed via the performance management process.

6.1.2. Market position

Electrolux will compare the salaries of its employees with the market. Market information will be obtained from various data providers generating a market reference point for each graded position. All positions in the company are evaluated according to a job analysis method that is used by Electrolux globally. The comparison is done with companies of similar size, scope and geographical area as Electrolux.

6.1.3. Managing the Market Reference Point (MRP)

The MRP is the market midpoint for each position. This directive aims at managing all individual salaries within a specified range of the MRP. However, special cases may arise where remuneration below or beyond the normal range of the assigned position is justified.

Where employees are considered to be exceptional performers over time, have potential to take larger jobs or are working in a key position to deliver strategy, a salary level above the range can be justified. Any request for salaries to be set above the range of MRP must be forwarded to the Regional Head of Total Rewards for advice and approval.

This directive does not obligate salary adjustment below the range of MRP to be done at one time. Typically, a transition plan shall be created.

6.1.4. New hires

In the event of a new hire, the setting of the ABS for a position will be determined by the following criteria:

- The MRP for the position
- The salary level of comparable positions in the organization
- The expected performance of the employee based on his experience, skills and competences

The positioning within the range is typically determined by the level of readiness the position holder has, experience, potential as well as market value.

6.1.5. International assignments

Employees selected for an international assignment remain in the home country salary structure. If the assignment position is at the same level of responsibility, the salary should remain unchanged. The Global Mobility team will adjust the salary to include the assignment-specific compensation and/or benefits. The difference in cost of living between the two countries is also taken into consideration.

If the host country position is graded higher than the home country position, the compensation should be

updated to reflect the salary level of the new position in the home country salary structure.

A promotional increase during an assignment may create difficulties in lowering the salary back to the salary level of the original position upon repatriation. Some country legislation will not permit a lowering of salary. It is recommended to use a temporary promotional allowance during the assignment, which would be removed at the time of repatriation to the home country.

6.1.6. Annual Salary Review

Each year, the salaries of Electrolux employees may be reviewed. This should be done based on positioning towards the market (MRP), the individual performance of the employee and the salary increase budget for the respective country.

The fact that the salary is reviewed does not imply that increases will be given to the employee.

6.1.6.1. Defining salary review increase budget

The salary review increase budget is determined and approved by the Global Reward Committee as part of the annual budget planning process in June through October of each year. The budget is guided by salary increases forecasted by the market, key economic indicators, Electrolux business performance, collective agreements and pay level in comparison to the market. As a result of these factors, a salary increase budget is developed for each country.

6.1.6.2. Defining individual salary increase

Guidelines are provided to managers at the time of Annual Salary Review, providing direction and ensuring a fair and equitable treatment of all employees during this process.

Differentiation will be made based on the level of performance and the position of the current salary compared to the MRP. Performance, skills and competencies are to be assessed in the Performance Management Process in order to properly reflect personal development and individual performance.

6.1.6.3. Special cases

Employees with salaries above the defined salary structure range are in exceptional cases eligible for an increase in ABS. Examples of such would be: if they are exceptional performers over time, have potential to take larger jobs or are working in a key position to deliver strategy. In other cases the salary remains unchanged until the ABS is within the salary structure range again. A lump sum payment instead of an increase in ABS can be considered. This lump sum payment is processed and approved in accordance with the salary review process. Lump sum payment and salary increase cannot be provided at the same time. Consulting the HR Business Partner is recommended.

Employees who have been appointed or promoted with an increase in their ABS within three months before the Annual Salary Review (ASR) effective date are not eligible for an increase in the ASR. In case a promotion is planned with effective date during the processing weeks of the ASR, the salary adjustment should be managed either completely within the ASR process (promotional increase is proposed together with the merit increase) or completely outside of the ASR process (no merit increase). There should not be increases taking place both within and outside of the ASR process.

6.1.6.4. Process

This directive aims to implement a salary review with one common date aligned within a country. However, in line with local custom or collective agreement(s), other dates and/or process steps may apply.

Employees on international assignment are handled in accordance with the host country salary review process. Implementation of the Increase is handled in accordance with the home country payroll and if applicable local legislation.

Performance, skills and competencies are to be assessed in the Performance Management Process in order to properly reflect personal development and individual performance. The host country operational manager is to share this information with the home country operational manager. The host country HRBP supports the process.

6.1.7. Promotional Guidelines

There are three possible situations in which promotional increases are considered:

1. *Increases in connection with a promotion to a position with a larger sphere of responsibility*
Promotions under normal circumstances should typically result in positioning the new salary within the market range of the new position and is determined by the level of readiness the position holder has. The proposed increase should not exceed the maximum increase percentage as per local market guidelines. If the size of the increase proposal exceeds the guidelines, an additional approval is needed from Regional Total Rewards.

2. *Increases in connection with a substantial increase in activities of a temporary nature*
A temporary increase of responsibility for a period not longer than 12 months should not result in an adjustment of the ABS. A one-time bonus agreed in writing could be used to recognize the individual at the end of the assignment. Alternatively a monthly project allowance during the period of the temporary activities could be paid.

3. *Increases in connection with a lateral move to a position with the same position grading*
If there is a permanent change in responsibility, without a clear promotion, a potential ABS increase may be considered.

6.1.8. Exceptions

Any deviation from the previous provisions must be referred to Group HR Total Rewards or the Regional Head of Total Rewards as appropriate.

6.2. Procedures – Short Term Incentive (STI)

6.2.1. STI Eligibility

The size and the level of the position (according to position grading) will determine if a position is eligible for an STI plan and what its opportunity level is. The opportunity level should be set on the basis of a simple linear scale where maximum corresponds to two times the midpoint. The STI plan with opportunity by position level shall be determined by Group HR Total Rewards.

The annual STI plan is a communication by the Company and as such **not subject** to agreement by the employee and may be changed or revoked at the sole discretion of the Company.

6.2.2. Target Setting

Each year, performance objectives for STI will be set by the Board of Directors for the Electrolux Group and the Group's CEO. Based on these performance objectives:

1. The CEO shall set the performance objectives for the Organizational Areas and staff functions
2. The Heads of Organizational Areas and staff functions shall set performance objectives for their operational areas.

For each performance objective, performance levels shall be determined which will be stated as a range, with a minimum and a maximum:

- 'minimum' will be the minimum level of achievement above which STI can be earned;
- 'maximum' will be the level of achievement at which the maximum STI can be earned.

6.2.3. Determination of result and payout

After the end of each performance year, the achievement against the objectives set for a year will be measured separately. The results used to calculate the STI payout are to be approved by the Board and its Remuneration Committee.

The payout will be based on the ABS earned by the employee during the performance year and will be calculated for each objective on the simple linear scale between 'Minimum' and 'Maximum'. For part-time employees, the ABS corresponds to the **actual paid** base salary in line with their work schedule for the year and is not prorated to its full-time ABS equivalent.

Payout shall be determined by completing the annual STI plan. If during the year, the annual STI plan was not properly finalized, the performance will be evaluated based on the relevant collective financial performance measure for Group, Organizational Area or part of the Organizational Area in which the employee is active.

In case of significant unforeseen events that negatively or positively impact the STI calculation, the business may request an adjustment. Any requests are to be sent to the STI Committee according to the STI Adjustment Guidelines (see Appendix). Any adjustment to an STI plan or its results must be approved accordingly.

Unless local laws do not allow, payout shall aim to take place at the latest in the payroll for March of the year following the performance year.

STI – Administrative considerations

6.2.3.1. Eligibility

Employees shall work for at least three consecutive months within the performance year in order to be eligible for STI payout. Newly hired employees who join during the year before October 1 are eligible for a pro-rated STI for the period worked. Employees who join after and including October 1 are not entitled to be part of the STI program for that year.

6.2.3.2. Change of jobs during the year

The STI for an employee who transfers between units (within a country or between countries) will be calculated on a pro-rata basis. Payments will be made in, and costs borne by, the country or unit in which the payments were earned. Alternative arrangements may be agreed upon, but require approval from the Regional Head of Total Rewards.

If an employee joins or transfers between units before the 15th of the month,

- A newly hired employee is entitled to an STI for the full month
- For a transferring employee, the full month payment will be made and costs will be borne for the full month by the unit the employee transfers to.

If an employee joins or transfers between units on or after the 15th of the month

- A newly hired employee is not entitled to an STI for that month.
- For a transferring employee, the full month's payment will be made and costs will be borne for the full month by the unit the employee transfers from.

Where an employee is promoted to a higher position during the year, the STI will be paid pro-rata, such that it is calculated on the basis of the salaries and schemes applying to the individual for each job/part of the year.

6.2.3.3. Retirement

When an employee retires during the year, the STI is normally calculated on a pro-rata basis for the period of actual service during this year. No consideration will normally be given to making the payment earlier than this as the relevant business results will not be known.

6.2.3.4. Leave of Absence

Continuous leave of absence (excluding vacations) exceeding 30 days will lead to reduced (pro-rated) pay-out for the entire leave period, unless local legislation provides otherwise.

6.2.3.4.1. Resignation

Employees who resign and leave the payroll before the end of the calendar year, waives any possibility for STI award. Employees who give notice of termination during the performance year, but effectively terminate employment and leave the payroll after the end of the performance year, may be awarded an STI. The decision to award an STI in this situation will be based on a variety of factors, which may include, but not be limited to, the completion and/or the successful handoff of outstanding projects and tasks, the employee's contribution during the performance year, etc., unless local legislation provides otherwise.

6.2.3.5. Redundancy

If an employee is asked to leave the organization during the performance year due to redundancy, the STI payment, if any, will follow the local legislation. No consideration will normally be given to making the payment earlier than the planned STI payout month as the relevant business results will not be known.

Employees that are made redundant while on an international assignment will be handled by the home country policy and/or practice.

6.2.3.6. Miscellaneous

This directive provides a tool for ensuring that employees focus on the desired (types of) performance for the Group as a whole and the organizations they belong to while also receiving a fair reward in the event of delivering on pre-defined targets. Under no circumstance is it acceptable that employees would benefit from illegal and/or unethical behavior (including a breach of relevant Company policies) leading to higher results under the STI plan than when behavior would have been within the boundaries of the law and ethics as laid down in Group policies. In view of this, this directive reserves the right to refuse payment of any STI due to, or to claim back any STI paid to, individuals where it is clear based on objective facts and circumstances that such STI is the result of unethical, illegal and/or undesired behavior as mentioned.

Proper business conduct and compliance with relevant laws and regulations require the utmost care in acting on executing these reservations. Whenever there is a suspicion of behavior that falls within the scope of this clause, the Organizational Area Head shall be informed as well as the Directive Holder. No communication shall be made by any of the parties involved in any way during the investigation, except to the extent necessary for the closing of the investigation. The employees involved shall be informed in writing if the Company decides to refuse or claim back payment of an STI and the correct legal procedures shall be followed to execute such a decision and allow the employee to appeal where possible.

6.3. Loans and pre-payment

The Company shall not provide loans to an employee, nor shall any pre-payment of salary or STI be considered or allowed. Exceptions may be approved if the company cost can hereby substantially be reduced or in case of force majeure events. Such exceptions must be approved by the VP Total Rewards.

6.4. Sales incentives & Other Variable Pay (OVP)

Sales incentives and OVP are part of variable pay compensation elements and may or may not be related to the ABS.

Sales incentives & OVP are managed by the HRBP in cooperation with Total Rewards team. The employee's HRBP, together with the line manager and grandparent, are responsible for setting up the level of the elements. The target level of these compensation elements is part of the total target cash compensation.

An employee should be entitled to only one type of variable pay, whether STI, sales incentives or OVP.

7. Violations of this directive

Employees who violate a directive may be subject to disciplinary action, up to and including dismissal, depending on the facts and circumstances.

7.1 How to report violations

Violations of this Directive may be reported to the Directive Holder, Group Management or the Board, either directly or via a manager, HR, an internal auditor, the Audit Committee or any other appropriate corporate body. Anyone reporting a violation shall, to the extent legally permissible, have the possibility to remain anonymous.

Serious violations may also be reported via the Electrolux Ethics Helpline where any employee can submit reports confidentially and anonymously.

Electrolux has a non-retaliation rule and will ensure that there are no adverse work-related consequences for any employee who, in good faith, alerts management of possible violations of this directive.

8. Further guidance and assistance

Each employee is responsible for knowing which policies, directives and related documents that apply to them. For questions regarding this directive, please contact the Directive Holder.

Appendix: Guidelines on STI Adjustment

Related documents:

- Group People Policy
- STI Adjustment Template
- Grandparent Principle Directive
- International Assignments Directive
- Global Recruitment Directive

Electrolux Group Policies on eGate: <https://electrolux.sharepoint.com/sites/policiesguidelines>

Signatures

Directive Approver:

Directive Holder:

Lars Worsøe Petersen
SVP HR & OD
AB Electrolux

Mattias Ytterstrand
VP Total Rewards
AB Electrolux

Appendix: Guidelines on STI adjustment

Background

Under certain circumstances, adjustments to STI calculations may be appropriate. To create transparency, consistency and discipline, standard guidelines for adjustments need to be in place.

Basis for adjustment

An STI adjustment can only be done for one of the following reasons:

- An event that triggers undesired behaviors and priorities
- Significant restructurings
- Changes in reporting principles
- Changes in organizational structure
- Force majeure

An adjustment will only be considered if the item was not identified and captured in the business planning (budgeting) and target setting process.

Acquisitions/Divestitures (including mergers), independent of the size, are not included in the standard STI calculation. Management can decide to include the Acquisitions/Divestitures effect in the calculation if the decision will drive additional business value.

Amount threshold

A minimum threshold for each individual item is defined for changes of both sales and EBIT (i.e. if the change is below a certain level, adjustments will not be considered). The threshold will be adjusted during target process and will be equal to 0.2% of external net sales.

STI Committee

The STI Committee is composed of Group CEO, CFO and SVP HR & OD. The purpose of the Committee is to ensure consistent and fair treatment of STI adjustments across sectors and to ensure good governance, as well as documentation of approvals.

An adjustment to any STI scheme requires approval by the STI Committee.

For any adjustment impacting the pay out of a Group Management member, the Remuneration Committee will act as the STI Committee.

Adjustment process

- The Sector must document and file a request for proposed adjustment to the STI committee using the approved template. The request shall occur in a timely manner after the unpredicted event (not after year-end) and shall clearly state who will be impacted by the adjustment.
- After the year-end closure, financial data will be extracted from the Management Information System by Group FP&A and an overview of the total financial result and approved Sector level or Group adjustments per STI target will be compiled.
- Each sector is responsible for providing the information to the STI Committee in order to receive approval for adjustments to STI targets.
- Any approved adjustments during the year will be presented to the Audit Committee, the Remuneration Committee and the Auditors, and solid documentation will be required.
- These guidelines will be reviewed annually as part of the target setting process.